Current pricing models for generic medicines are not fit for purpose

To adjust the price of medicines according to the inflation rate, protecting the economic viability of medicines against fluctuations in costs of medicines according to the inflation rate.

To break the link between the fluctuating price of the originator and the price of the generic medicines.

New pricing models

1. **Automatic indexation**
   - To adjust the price of medicines according to the inflation rate, protecting the economic viability of medicines against fluctuations in costs of medicines according to the inflation rate.

2. **Tiered pricing model**
   - To establish a price based on the number of generic manufacturer ready to compete in the market.

3. **Price de-linkage from originator price**
   - To break the link between the fluctuating price of the originator and the price of the generic medicines.

Current pricing policies, aimed at constantly lowering medicine prices, result in market concentration, and consequently medicines shortages and health inequalities

- External reference pricing is not a proper tool to ensure competitive pricing in the off-patent market
- Discounts, clawback and payback policies can easily be overused and severely impact the economic viability and sustainability of supply
- Highly resilient and future-proof strategies should be promoted to counteract raising inflation and address market challenges

(1) NEW PRICING MODELS FOR GENERIC MEDICINES TO ENSURE LONG-TERM HEALTHY COMPETITIVENESS IN EUROPE https://bit.ly/3SCzFX7